



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 19, 2000

H.R. 4144

Coal Accountability and Retired Employee Act for the 21st Century

As ordered reported by the House Committee on Resources on July 26, 2000

SUMMARY

H.R. 4144 would require the Office of Surface Mining to transfer any remaining interest credited to the Abandoned Mine Land Reclamation Fund (AML) from fiscal years 1992 through 1995 to the United Mine Workers of America Combined Benefit Fund (CBF). The Congress would designate the amount of the transfer as an emergency requirement pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act.

CBO estimates the transfer would increase direct spending by \$35 million in 2001 and \$62 million in 2002. Because the transfer would be designated as an emergency requirement, that spending would not be subject to pay-as-you-go procedures.

In addition, the legislation would decrease federal Medicaid spending by \$1 million in 2001 and \$2 million in 2002. Because federal Medicaid spending is mandatory, pay-as-you-go procedures would apply.

H.R. 4144 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would result in Medicaid savings for state governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 4144 is shown in the following table. The costs of this legislation fall within budget function 550 (health).

	By Fiscal Year, in Millions of Dollars				
	2001	2002	2003	2004	2005
CHANGES IN DIRECT SPENDING					
Interest Transfer from the AML Fund					
Estimated Budget Authority	97	0	0	0	0
Estimated Outlays	35	62	0	0	0
Federal Share of Medicaid					
Estimated Budget Authority	-1	-2	0	0	0
Estimated Outlays	-1	-2	0	0	0
Net Effect on Federal Spending					
Estimated Budget Authority	96	-2	0	0	0
Estimated Outlays	34	60	0	0	0

BASIS OF ESTIMATE

H.R. 4144 would provide for the interest balance of the AML Fund from 1992 through 1995 to be transferred to the CBF within 30 days after the bill is enacted. According to the Office of Surface Mining, \$97 million of the interest earned during that period remains in the fund. Therefore, CBO estimates that \$97 million would be transferred to the CBF in 2001 as a result of that provision.

The money transferred would be used to cover the benefits of retired coal miners that would not otherwise be covered because premium collections were insufficient. CBO estimates that \$35 million of the transfer would be used to pay for benefits in 2001 and \$62 million would be spent in 2002.

In the event of a deficit, the trustees of the CBF would first try to balance the fund through reducing spending on items and services other than health benefits. But if the deficit were large enough, they would have to cut benefits. For retired coal miners who are also enrolled in Medicaid, a portion of those benefits would be shifted to the Medicaid program. Under H.R. 4144, the \$97-million transfer to the CBF would reduce the amount of benefits that would otherwise be shifted to Medicaid. That change would decrease federal Medicaid spending by \$1 million in 2001 and \$2 million in 2002.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table. Because H.R. 4144 would exempt the transfer from the AML Fund from these provisions, it is not included. The table below only shows the bill's effect on federal Medicaid spending. For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By Fiscal Year, in Millions of Dollars										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Changes in outlays	0	-1	-2	0	0	0	0	0	0	0	0
Changes in receipts	Not applicable										

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 4144 contains no intergovernmental mandates as defined in UMRA. Because additional resources in the Combined Benefit Fund would provide health benefits to eligible retired coal miners, estimated Medicaid spending would decrease. Consequently, CBO estimates that states would save over \$500,000 in 2001 and over \$1.1 million in 2002 in the Medicaid program.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

This bill contains no new private-sector mandates as defined in UMRA.

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